



MEDICARE DRUG BENEFIT AND C&D DATA GROUP

DATE: April 23, 2013

TO: Medicare-Medicaid Plans

FROM: Cynthia G. Tudor, Ph.D.
Director, Medicare Drug Benefit and C&D Data Group

SUBJECT: Clarification Regarding Drug Cost Sharing Options for Medicare-Medicaid Plan (MMP) Plan Benefit Packages for CY 2014

The purpose of this memorandum is to clarify a particular issue regarding PBP drug cost sharing data entry we have received questions about since the release of our April 11, 2013 HPMS memorandum, "Medicare-Medicaid Plan (MMP) Submission of Plan Benefit Packages for CY 2014."

As stated in our April 11, 2013 memorandum, MMPs may enter a minimum and a maximum cost sharing amount in the PBP Rx section for cost sharing before the out-of-pocket threshold. If an MMP does not designate a tier as either a single cost share tier (e.g., \$0, with the minimum and the maximum entered as \$0) or as a low-income subsidy (LIS) cost-sharing tier, the plan will need to enter alternative minimum and maximum cost sharing amounts. For any tier that includes Part D drugs (tiers 1 and 2 only), the minimum copayment value entered in the PBP must be \$0 and will represent the cost-sharing amount applicable to institutionalized beneficiaries and beneficiaries receiving home and community-based services (LIS category code 3) only. All other dual eligible enrollees must pay the lesser of the CY 2014 statutory cost sharing amount for brand or generic drugs or the maximum copayment amount that is entered in the PBP.

Similarly, for cost sharing after the out-of-pocket threshold where tiers 1 and/or 2 include a mix of Part D and non-Part D drugs, any range entered must include a \$0 minimum to reflect the cost-sharing for Part D drugs for all duals after the out-of-pocket threshold, and the maximum must reflect the applicable non-Medicare drug copayment.

Beyond the need for variable LIS cost sharing amounts (ranges) for dual eligible beneficiaries based on the statutory LIS cost sharing maximum amounts, plans may **not** use the minimum/maximum cost share tier design in the Rx section to either:

- Enter variable cost sharing for the same drug within a tier; or

- Define differential cost sharing amounts for drugs within the same tier (e.g., \$0 for preferred generics for all members and \$0 - \$2.55 for all other generics depending on their LIS eligibility category).

Any questions regarding the contents of this memorandum should be directed to the Medicare-Medicaid Coordination Office at mmcocapsmodel@cms.hhs.gov and the Part D benefits mailbox at PartDBenefits@cms.hhs.gov.